

Local Agency Formation Commission
Of Modoc County
Regular Meeting

Minutes of April 12, 2011

1. Call to Order:

Chairman Schreiber called the meeting to order at 5:00 pm, in the City Council Chambers, Alturas City Hall. Commissioners Dederick, Schreiber, Neer and Allan were present. Commissioner Alternates Jerry Shea was also present, as well as City Public Works Director Chester Robertson. Commissioners Bullock was absent.

2. Approval of Agenda:

Commissioner Dederick made the motion to approve the agenda as submitted; seconded by Commissioner Neer. In favor: All that was present.

3. Correspondence:

Executive Officer Benoit reports that the Calafco newsletter is on everyone's desk for them to review. There is a good article on Proposition 26 regarding the voter approved local fees and taxes; and a legislative update.

Commissioner Bullock enters the meeting.

4. Approval of Minutes:

Commissioner Neer points out a typo in the minutes. Commissioner Bullock made the motion to approve the agenda as amended; seconded by Commissioner Dederick. In favor: Unanimous.

5. Public Comment: None.

6. Conduct Public Hearing on the Proposed 2011-2012 Budget for Modoc LAFCo

a. Review staff Budget Report and adopt resolution 2011-0004 approving a proposed budget for fiscal year 2011-2012.

Chairman Schreiber opens the public hearing at 5:06 p.m.

Executive Officer Benoit states they have a justification report of what is in the budget and what they anticipate. He is continuously working with Hot Springs Valley Irrigation District and will be working with the Cedarville Water District. He has also heard of a few things that could affect the City of Alturas. He hasn't heard of any district consolidations and the formation of the hospital district is complete. The budget consists of various line items. He had an attorney up here last year to do Brown Act training and he hopes to do that every two years. The conference this year is in Napa and that is in the budget. Some of the projects to work on are county water, irrigation and pest abatement districts. He states we can proceed with the spheres for the fire districts and get those completed. He reviews the line item budget and reminds the commissioners that if they don't use the funds they will rollover into another fund that they can access later.

Commissioner Neer asks if this is an official document or if this is just for our information. If this goes in a file she would like to see a correction to commissioner stipends to state for meetings attended.

Executive Officer Benoit explains the expenditures and what they consist of; as well as the revenues. He asks if anyone else is interested in attending the Calafco conference in Napa this year because he would need to adjust the travel expenses. Commissioner Neer may be interested and asks if it is required to attend all three days. Executive Officer Benoit states he is pushing this a little more this year because it's a little closer than normal.

Commissioner Neer made the motion to adopt resolution 2011-0004 approving a proposed budget for fiscal year 2011-2012; seconded by Commissioner Dederick. In favor: Unanimous.

7. Municipal Service Review and Sphere of Influence Update for the Daphnedale Community Service District.

a. Receive Executive Officer's Report and conduct public hearing on the Municipal Service Review and Sphere of Influence for the Daphnedale Community Services District located north of the City of Alturas.

Executive Officer Benoit states they talked about this a little bit at the last meeting. The district was formed in 1976 as a condition of a state grant application. It was to form as many functions as a CSD could, but in 2000 it was stripped to just wastewater which is what they do. They have a five member board and a secretary. They are required to have a manager, which can be the secretary. That person takes care of the day to day business of the district.

He reconciled the mathematical issues that were stated in the previous report. They are not taking in enough money to cover their expenses and that is the big issue. The amount they pay per connection is less than what the city charges. When the city raised its rates they had an election, and that is what needs to happen here. Other issues include, the district has no liability insurance and they need to have an audit done. They have 42 connections and that isn't a lot of people and he feels maybe the best alternative is to form a county service area and have the CSA run it instead of the district, which would essentially be run by the Board of Supervisors. There is also an option to annex with the city, for a subsidiary with the city, have the CSD contract with the city for both administration and the wastewater treatment, which wouldn't require a LAFCo process. Or we leave them alone and let them do their thing and probably raise their rates to cover costs.

Jesse Blair, Chairman of the Daphnedale Board, thinks the CSA is a good idea but the county would charge them and then contract with the city and get charged again. He thinks maybe they should just form an agreement with the city.

Commissioner Alternate Shea states last time they discussed a JPA between the district and the CSD. Executive Officer Benoit states the only problem with that is they would have to form another board.

Chester Robertson asks about the subsidiary district and if he can have some more background. Executive Officer Benoit states the City of Lakeport has a CLMSD. You can have a subsidiary

district cover the entire city, plus 30% outside of the district. The council sits as the board of the CLMSD.

Commissioner Neer asks if they have talked with Mr. Benoit about a subsidiary district. Executive Officer Benoit states that would be up to the City to do. Mr. Robertson asks if the CSD would still exist. Executive Officer Benoit says it wouldn't have to because the city could bill each connection.

Commissioner Dederick asks if everything is working okay right now as it should be in the district. Mr. Blair says it seems to be. Commissioner Dederick says if everything is working for them he would think they might want to continue with providing the services themselves and maybe just contract with the City. Mr. Blair states the biggest issue is the economical cost to perform the functions they are required to do amongst 42 people. Commissioner Schreiber states whatever we do, we need to make sure it is done before the State comes in and asks for certain requirements.

Commissioner Alternate Shea asks what would happen if the district dissolved and let the county take over. Mr. Blair states some people would like to see the district stay put, and from his perspective he just wouldn't want to see the county take over and that the cost would end up being more.

Executive Officer Benoit would recommend that the district and the city sit down and decide what they can do and what it would cost. Stephanie Hoover, audience member, states most people out there would like to maintain the lifestyle they have out there without it costing too much and to make sure the finances run smoothly. Commissioner Schreiber thinks we all want that.

Commissioner Neer asks what would happen if they contracted with the City. The City would essentially be the manager and maintain the finances. Commissioner Neer states if the City took over management would the cost of the secretary, post office box rental, etc., be costs they could save or would it cost more. Executive Officer Benoit says they would have to meet and discuss what they want to do with that and how they would break this down between the two entities. He thinks the service review can be adopted today, but he would like to wait on the sphere to see what happens if the district and city decide to meet and contract with each other.

Commissioner Allan asks if a contract was made between the two would that ward off any imposition from the state. Executive Officer Benoit states the City has the permit for waste water and other than that he doesn't know of any state obligations. They would still be a district though and would have to follow those regulations.

Mr. Robertson states if they took on a subsidiary district than those people would probably take on the additional liability insurance needed which would probably be less than if they were to go and get it themselves.

b. Adopt Resolution 2011-0005 approving a Municipal Service Review for services provided by the Daphnedale Community Service District.

Commissioner Bullock made the motion to adopt Resolution 2011-0005 approving a Municipal Service Review for services provided by the Daphnedale Community Services District; seconded by Commissioner Dederick. In favor: Unanimous.

c. Adopt Resolution 2011-0006 approving a Sphere of Influence Update for the Daphnedale Community Services District.

This item was tabled.

8. Review and authorize payment of claims.

a. Ratify payment of claims for February 2011 and authorize payment of claims for March 2011.

Executive Officer Benoit states they have the claims for the last two months. Commissioner Bullock made the motion to ratify payment of claims for February 2011 and authorize payment of claims for March 2011; seconded by Commissioner Dederick. In favor: Unanimous.

9. Executive Officer's Monthly Report – General Discussion

Executive Officer Benoit says he will do a written report on the Calafco staff workshop, so he will put that off until the next meeting. He has talked to some fire districts about consolidation but he has discouraged those because of funding problems. Mapping is an issue of ongoing concern and he is always looking at legal notices and what the district boundaries are. He has been looking at all the fire district boundaries and had to go back and look at the original maps.

10. Commissioner Reports – Discussion

Commissioner Allan asks about the small annexation in Cedarville. Executive Officer Benoit states the Odgers have a tentative parcel map located just to the east of the hospital and that is the small annexation. He also states the water district is considering doing another one, but he thinks since the Odgers are already doing that they should let them instead of using district money to do one as well. Planning Director Kim Hunter explains the project of the subdivision and not all of the parcels will be included in the annexation of the water district.

Commissioner Allan also asks about the Cedarville Cemetery District and would it be okay if he refers questions from a director to Benoit. Yes.

Executive Officer Benoit states he will have to help the county staff with the tax exchange because this needs to go quickly and these people do not have the experience with this kind of process. This is the first one that has happened in years.

There being no further business to come before this Commission; Commissioner Dederick made the motion to adjourn the meeting, seconded by Commissioner Bullock, and the meeting was adjourned at 6:06 p.m.

The next meeting will be held June 14, 2011 at 5:00 p.m.